



Policy Brief.



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Rising Food Prices and Household Food Security in Southern Sudan

Highlight:

- *Low cereal Production due to insecurity.*
- *Significant increases of Cereal prices*
- *Depreciation of local currency.*
- *Current political and economic crisis.*
- *Taxation on imported food items*
- *Fall Army Worms.*

Overview/Introduction

All major food commodities reached their highest levels of prices in a short period of time. The impact of soaring food prices on the households depend on the level of agriculture outputs and income levels which determine their purchasing power. Poor households who spend a large proportion of their income on staple food grains are likely to be the worst affected.

Since South Sudan is heavily reliant on imported food products from the neighbouring countries ,coupled with the current political and economic crisis in the country, it is crucial to analyse the effect of the food prices and propose strategies to mitigate the impact on the households. The main aim of this paper is therefore, to discuss the current situation and propose or suggests possible actions to deal with rising prices. The paper also identifies more specifically what needs to be done in the immediate and long-term period to tackle the problems of the food crisis. The set of policy actions that should be pursued by the main players, mainly the government are identified and recommended.

The net cereal production in 2017 in the traditional sector was estimated at 764,107 tonnes, i.e.75 percent, 20 percent from 2016, 14 percent below the average of the previous five years and the smallest recorded output since the start of the conflict. The overall cereal deficit in January. December 2018 marketing year was estimated about 482 000 tonnes, 26 percent above the deficit estimated for 2017. Despite of adequate rainfall over most of the cropping areas, the 2017 agriculture season had poor performance mainly due to a reduced number of farming households and lower average area planted per household, increase in intensity and scaled up of the conflict that disrupted farming activities,

The largest reduction in the harvested area occurred in former Central Equatoria State (-28 percent) and Western Baher al Gahzal (-28 percent).

The endemic presence of the common pest, *FALL ARMY WORM*'s out- break defects in the Country for the first time in 2017 caused mild to average damaged on Maize and Sorghum crops in more than 20 counties till now.

The cost of standard food basket continued its increasing trends. The increase in the last few months could be associated mainly with the depreciation of local currency and the progress of the rainy season. In May 2018, Lakes, Central Equatoria and Northern Bahr el Ghazal were with the highest cost of the food basket. More than half of monitored markets experienced increase in cereal prices compared to the previous month. High transport cost associated with the rainy season could be a reason for the observed price upsurges. Rapid variation has been observed in fuel prices, especially in markets getting supply through informal cross border trade. In May, record high fuel price was observed in Aweil for diesel (SSP 740/L) and in Bunj for petrol (SSP 900/L), increases of 119 percent and 35 percent, respectively as compared to April 2018. It was mainly due to delay in supplies to petrol stations attributed to the poor road conditions during the rainy season.

IMPACT OF PRICES INCREASE ON HOUSEHOLD FOOD SECURITY.

Due to poor and low cereal production, households do not produce enough in 2017 to maintained them until next harvest of 2018. Recent evidence of the CFSAM report showed that significant proportion of rural households and majority of urban households are net buyers of food and have at the same period accessed markets to buy food for the family. Considering the low employment and income generating opportunities, the impact of high food prices is expected to affect the normal livelihood patterns. As indicated above, prices have been following upward trend over the past months. Insecurity in most counties across the country and the outbreak of the **FALL ARMY WORMS**, which destroyed Sorghum and Maize had led to the decreased cultivated areas, and therefore, impacted negatively on the food security during January- July,2018.

POLICY RRCOMMENDATIONS

In order to tackle the impact of high food prices, it is imperative that the GROSS adopts multi-pronged strategy to address the crisis and prevent further escalation of food prices in both segments of poor rural and urban population. Urgent policy actions require long term strategies to address the root causes of the problem. The following short and long term measures are suggested to address the issues:

Food Security Council should come up with guiding policies and programmes on food security at the highest level, including measures on how to tackle the soaring food prices.
Safety net for the most vulnerable.

GROSS AND HER DEVELOPMENT PARTNERS SHOULD

- Consider targeted programmes to meet the basic needs for the most vulnerable population including the IDPs and Disables. The level of humanitarian assistances should be increased in most affected areas to reduce the soaring food prices due to insecurity and devaluation of our South Sudanese Pound against Dollar.
- Embark on quick impact agriculture interventions which includes seeds and tools to resource poor farm households.
- Device policy to eliminate multiple taxes on staple food or exempted food commodities from taxation fees
- Strengthen agricultural research and extensions services necessary to enhance domestic production through technology transfer.
- Develop policies and strategies which motivate private sector in involvement in commercial agriculture both in rain-fed and irrigated agriculture.
- Provide support to the smallholder producers, extensions servicers, and mechanization services.
- Establish a strategy for Emergency Food Reserve for timely response to impending food crisis.
- Invest in rural infrastructure such as road networks, markets places, and communication to increase domestic production and promote competition in the food markets.
- Promote Pest Control measures through the Ministry of Agriculture and food security.
- Lasting Peace is paramount.

References:

- 1. CAFSAM Report.2018.***
- 2. WFP Markets bulletin June 2018.***